GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:4260
ANSWERED ON:28.03.2017
Loss of Farm Produce
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the details of post-harvest losses of farm produce specially high value perishable produce incurred across the country due to lack of integrated supply chains, cold-chains and food processing industries in the country during the last three years and the current year, produce-wise;

(b) whether Government has taken or proposes to take measures to reduce food losses and promote food processing industry in rural areas, if so, the details thereof and if not, the reasons therefor;

(c) whether the Government has established modern supply chains for perishable food items, if so, the details thereof along with the benefits accrued on account of this and if not, the reasons therefor;

(d) whether the Government provides incentives to entrepreneurs and investors for development of integrated supply chain including cold storage and other components and if so, the details thereof along with the total private sector investment in the sector, State-wise; and

(e) whether a number of multinational domestic and foreign companies, big industrial houses and small scale industries have shown keen interest for setting up food processing industries in various parts of the country and if so, the details thereof and the response of the Government thereto?

Answer

(a) & (b):The Government has got a study done on "Assessment of Quantitative Harvest and Post-Harvest Losses of Major Crops and Commodities in India" by ICAR - Central Institute of Post-Harvest Engineering and Technology (CIPHET), Ludhiana. The study was commissioned in 2012 and the final report submitted on 31.03.2015. The study has estimated that annual value of harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 92,651 crore calculated using production data of 2012-13 at 2014 wholesale prices. The percentage of post-harvest losses as assessed by the study are at Annexure-I.
It has been the endeavor of the Government to promote food processing industry in the country to reduce wastage of agricultural produce and minimize post- harvest losses. With the above in view, the Ministry of Food Processing Industries (MoFPI) is implementing inter alia,various Central Sector Schemes, namely (i) Mega Food Parks. (ii) Integrated Cold Chain and Value Addition Infrastructure. The aforementioned schemes are implemented mainly by private sector & demand driven and provide flexibility to the promoters to choose the components, their capacities and location of the project as per techno economic feasibility conducted by them and ensuring the viability of the project vis-Ã -vis availability of adequate infrastructure and smooth backward and forward integration.

(c) & (d): Government does not set up supply chains for perishable food itemson its own. However, in order to arrest post-harvest losses of horticulture & non-horticulture produce and to provide integrated cold chain and preservation infrastructure facilities from the farm gate to the market, Ministry of Food Processing Industries is implementing the Central Sector Scheme of Integrated Cold Chain and Value Addition Infrastructure. Under the scheme, financial assistance is provided in the form of grant-in-aid of maximum Rs10 crore per project for setting up of integrated cold chain and preservation infrastructure facilities. The Integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. The scheme is primarily private sector driven and proposals under this scheme are invited through Expression of Interest (EOI).

In addition, Mission for Integrated Development of Horticulture (MIDH) and National Horticulture Board (NHB), under Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture & Farmers Welfare are also providing assistance for setting up cold storages under their respective schemes. The proposals under MIDH and NHB schemes are accepted round the year. These schemes are demand driven from entrepreneurs, private companies, co-operatives, farmers groups, self-help groups, etc for which assistance in the form of grant-in-aid/subsidy is provided by the Government. Various other incentives provided by the Government to promote creation of cold chain infrastructure are at Annexure-II. Details of state wise private sector investment in respect of Scheme for Integrated Cold Chain and Value Addition Infrastructure is at Annexure-III.

(e): As per extant policy, Foreign Direct Investment(FDI) up to 100%, under the automatic route, is allowed in food processing industries including cold chain infrastructure. As per the data provided by the Department of Industrial Policy and Promotion(DIPP), the Food processing sector in the country has received US$ 5.67 billion worth of Foreign Direct Investment(FDI) equity inflows from April,2013 to December, 2016.